

FACT SHEET

Dealer Licensing Requirements for Auctions

PURPOSE:

An auction may or may not be required to license as a dealer while operating in the state of Idaho. The applicability of a license requirement will depend upon the specific activity that the auction is involved in regarding the sale of the vehicle. Dealer-licensing requirements are based on Sections 49-105(1) and 49-1601, Idaho Code, and IDAPA Administrative Rule 39.02.02.

This fact sheet will provide information detailing activities that do and do not require licensure as an Idaho Dealership.

AUCTION ACTIVITIES THAT REQUIRE A DEALER LICENSE:

- Providing an auction service for the sale or exchange of a vehicle/vessel not titled in the name of entity offering the vehicle for auction or in the name of the auction company.
- Offering at auction five or more vehicles/vessels titled in the name of the auction company or any entity during any calendar year.

AUCTION ACTIVITIES THAT DO NOT REQUIRE A DEALER LICENSE:

- Offering at auction less than five vehicles/vessels titled in the name of the auction company in a calendar year.
- Providing an auction service during any calendar year for the sale or exchange of less than five vehicles/vessels that are titled in the name of the entity offering the vehicles/vessels for auction.
- Providing an auction service for a licensed Idaho dealer.

SPECIFIC REQUIREMENTS TO OBTAIN A DEALER LICENSE:

- **Dealership name:** Prior to applying as a dealer or obtaining a dealer bond, you should call the Dealer Team at (208) 334-8681 to make sure that the proposed name of the dealership is not deceptively similar to an existing dealership's name. According to Section 53-504, Idaho Code, any dealership name which has a D.B.A. (doing business as) must be filed as an assumed name with the Secretary of State's office. If the dealership is owned by a corporation, limited-liability company, or a limited-liability partnership, you must submit verification from the Secretary of State at (208) 334-2300.
- **Vehicle dealer performance bond required:** Idaho Code requires all vehicle/vessel dealers to file a performance bond with the department. The bond shall be in the amount of \$20,000 for all dealers except motorcycle, all-terrain vehicle, utility type vehicle, and snow machine dealers, who shall have a \$10,000 bond. All bonds must be issued by a corporate surety licensed to do business within the state of Idaho. A bond may also be posted in the form of cash or a certificate of deposit, which remains on file until five years after the dealership has gone out of business. The bond must remain in effect for the full licensing period or until the license becomes invalid. The bond must reflect the exact ownership, D.B.A.s, and dealership location that is listed on the application for dealer license.
- **Building and zoning required:** An enclosed commercial structure built to meet applicable building codes. Such structure shall be located in an area zoned by local authorities for the type of business in which the dealer is licensed. A letter of zoning approval or a zoning official's signature on the dealer application must be submitted. Zoning approval is also required for off-site sales, changes of location, and supplemental lots.
- **Application for Idaho Vehicle Dealer License (retail or wholesale):** The application for dealer's license must be completed in full. All owners/corporate officers must be listed. A personal history for each owner, partner, corporate officer, or director must be completed, but inactive corporate officers are not required to obtain identification cards. The name of the dealership and location must be accurate and match the information on the bond that is submitted with the application. All owners, partners, officers, or directors must sign the application in the appropriate area and their signatures must be notarized. Please allow 30 days for processing.
- **Seller Permit Number:** A copy of the seller's permit number issued in the name of the dealership by the Idaho Tax Commission must be submitted with any retail dealer application. The Idaho Tax Commission can be reached by phone at (208) 334-7660 or (800) 972-7660.
- **Liability Insurance (effective 7-1-06):** Submit liability insurance certificate. Minimum coverage amount is \$25,000 bodily injury to one person, \$50,000 bodily injury to two persons, and \$15,000 property injury or destruction. If the liability insurance policy submitted includes the statement "the policy complies with Section 49-1608A, Idaho Code," it will be accepted.
- **Education Requirements (Effective January 1, 2004):** Applicants seeking a license for a new dealership selling used vehicles must pass a written examination before a license can be issued. The owner of a used-vehicle-only dealership renewing a license must complete at least four hours of annual education that is recognized by the department before a license can be issued. The owners or members of a corporation, limited liability corporation, or limited liability partnership, who are not active in a dealership may designate a manager to attend. They shall also complete a Corporate Substitute Application. If that manager leaves the dealership, another manager must complete the dealership's annual education requirements. Franchised dealers and wholesalers are exempt.



- **Dealership Location Inspection:** After the application is approved, the Motor Vehicle Investigator for your district will be contacted by the Dealer Licensing Team and the investigator will call you for an appointment to inspect your dealership location. The Investigator will verify the location, display area, office, sign, and give instructions on how to complete documents for titling purposes.
- **Franchises:** If your dealership will be selling NEW vehicles/vessels, a letter of franchise approval from the manufacturer is required for each type of new vehicles/vessels sold.
- **Personal History and Salesmen Application:** If you will be hiring salesmen, an application (ITD-3171) must be completed for each person hired. The NCR copy or photocopy of this form will serve as a 30-day temporary license for the salesman. All owners must complete this form.

PRINCIPAL PLACE OF BUSINESS REQUIREMENTS:

- **Place of Business:** This is the location where the dealer and his salesmen conduct the dealer's business. Other locations belonging to the same dealership and operating under the same name are called "supplemental lots." Supplemental lots must be located in the same or an adjacent county of the principal location.
- **Dealership signing:** An exterior sign must be permanently affixed to the land or building, have letters that are clearly visible and readable from the main road, and meet local zoning requirements. The recommended size for an exterior sign is at least 24 square feet (3' x 8', 4' x 6', etc.) with 2-inch-square minimum lettering. The sign should include the trade name of the dealership, street address, and dealer number. For a wholesale dealer, and for ease of reading by prospective customers, the sign may be painted on the office window next to the entrance door.
- **Dealership office:** Must be a clearly defined area including an office to keep books; a desk; filing cabinet; and a permanently-affixed, installed phone for the business. A cellular phone cannot be used to replace the permanent phone. The telephone number must be listed in the general directory. The telephone must be answered in the name of the dealership and may be forwarded to another location or an answering machine.
- **Display area:** The display area must be large enough to display five or more vehicles/vessels of the type the retail dealer is licensed to sell. The "improved display area" should be adjacent to the dealership office, owned or leased by the dealer, and separated from other business property by visual boundaries or signing. If two separate dealerships are located adjacent to one another, there shall be a physical divider made to separate the display areas. (Ropes, chains, barriers, etc., shall meet the definition of physical dividers.) This requirement is not for a wholesale-only dealership.
- **Restrictions of dealership use:** The principal place of business must be devoted mainly to the business for which the vehicle dealer is licensed. In addition, the office cannot be a room or rooms in a hotel, rooming house, apartment building, or a part of any single- or multiple-unit dwelling house unless the entire ground floor is principally occupied for commercial purposes and the office of the dealership is located on the ground floor.

DEPARTMENT OF FINANCE REQUIREMENTS:

- Dealers are required to file notification to the Department of Finance when they assess interest, late fees, carrying fees, or otherwise extend, assign, or take assignment of credit. Contact the Idaho Credit Code Section at (208) 332-8061 for a notification application.

FEES:

Initial Dealer's License	\$115.00	
Owner/Officer's ID00	(Additional \$10 when the picture is taken)
Salesman ID Cards	15.00	(Additional \$10 when the picture is taken)
Dealer Plates	20.00	(Includes \$2.00 mailing fee)
Temporary 30-day registrations (out-of-state residents only)	100.00	(Books of 20 each)
Supplemental Lot License (each dealer location)	25.00	
Temporary Supplemental Lots License (Off-site)	25.00	(\$50 for 2 or more dealers)
License Reprints	10.00	

This fact sheet has been provided by:

Idaho Transportation Department, Division of Motor Vehicles • PO Box 7129, Boise, ID 83707-1129 • (208) 334-8681 • dmv.idaho.gov

The Idaho Transportation Department is committed to full compliance with Title VI of the Civil Rights Act and all related regulations.
For more information call the EEO Office at (208) 334-8852.